




After the Financial Storm... The Damascus Declaration



Dubbed the crisis of the century, the current international financial crisis represents the first real challenge to the globalization process. This crisis, which was triggered by the collapse of the sub prime mortgage in the United States, soon had global reach, especially since it surged at a time when the global economy was already facing two major problems represented in huge increases in the food and energy prices.

UN Role

Noting the role of the United Nations in this issue, ESCWA Executive Secretary Badier Omar AlDafa said in the opening of the "Regional High-Level Consultative Forum on the Impacts of the International Financial Crisis on the ESCWA Member Countries: the Way Forward" that the international body remained the main party concerned with the financial crisis. The UN is indeed entrusted with working towards the achievement of

the Millennium Development Goals (MDGs) and internationally agreed development initiatives as well as restructuring a new financial order. From its stand as the regional arm of the UN in Western Asia, ESCWA called to convene the High-level meeting, which gathered decision makers and international experts, in addition to regional stakeholders who endorsed a final declaration on responding to the financial crisis. 



The Damascus Declaration

The meeting summed its recommendations in the "Damascus Declaration", a 17-point document that is to be part of the background documents of the forthcoming New York high-level meeting. Some of the recommendations in the Declaration call for sustainable expansionary fiscal stimuli to boost domestic demand and shorten the period of low economic growth and increased cooperation with and support to the private sector, with special focus on Small and Medium-Sized Enterprises.

The existing national, regional and international funds are also encouraged to provide liquidity to those member countries facing liquidity crises, and on the same line, the Declaration encourages ESCWA Sovereign Wealth Funds to increase their investment in the real economy in the region. Also, economies are called on to pursue diversification vigorously, thereby reducing heavy dependency on the oil sector.

Concerning movement, the Damascus declaration recommended the facilitation of intra-regional flows of trade in goods and services, people and capital among ESCWA member countries to enhance regional integration. Member countries are also called upon to take proactive steps towards increasing participation of developing countries in managing the global economy.

The Forum also supported ESCWA activities, requesting it to play a catalyst role in bringing the member countries together with the concerned Arab and Islamic financial institutions in order to enhance the role of such institutions in solving the problems arising from and/or exacerbated by the Crisis.



In organizing the meeting, ESCWA has partnered with the International Labour Organization (ILO) and the Syrian State Planning Commission. The meeting was intended to examine the future repercussions of the global financial crisis over ESCWA member countries, extending from Tuesday

5 until Thursday 7 May in Dedeman Hotel, Damascus.

In his opening statement, AlDafa underscored the view of the Organization, stipulating that efforts will only bear fruit if the crisis is dealt with by effectively dealing with

A Global Event

With participants from over 14 countries and 80 representatives of regional organizations, Arab development funds, private and central banks, the meeting delved into the repercussions of the global financial crisis over financial, economic and social fields in member countries, as well as the best ways to counter them. By gathering this particular crowd, the meeting allowed participating countries to share their experiences and views concerning the measures to deal with the crisis. It was also a forum for them to harmonize and unify their points of view prior to the UN Conference on World Financial and Economic Crisis and its Impact on Development, to be held at the UN headquarters in New York, on 1-3 June 2009.

Syrian Deputy Prime Minister for Economic Affairs Abdullah Al Dardari said that the power of countries is no longer appraised by the size of their economies in the global markets. Rather, this power is measured by their success in managing their national economies and upholding their responsibilities within the new global economy both on the economic and social levels, especially when they place the individual as the starting and end points of development.



For his part, Maurizio Bussi, ILO deputy regional director presented the losses of national economies in the financial crisis, and the ways to counter such losses, underscoring the importance of holding such a meet-



The crisis was the result of the accumulation of a number of factors, which emerged over a number of years in the housing and credit markets. Causes proposed include speculation during the boom period, risky mortgage products, high personal and corporate debt levels, financial products that distributed the risk of mortgage default, monetary policies and government regulations.

differences between developed and developing countries, ensuring a periodic review of essential policies and increased social security, and prioritizing job creation and poverty alleviation. It is also very crucial to establish the right bases for true sustainable development.

ing at a time of escalating crisis. Bussi noted that the general rate of growth dropped from 7.2 to 3.2 per cent, which affects the Arab economy, global trade, as well as unemployment and job opportunities. This requires constant work among all countries, to avoid further decline in the labour market and the establishment of a fair work system that serves the individual well. ■

After the opening session, ESCWA launched its flagship publication, the "Annual Review of Developments in Globalization and Regional Integration in the Arab Countries, 2008". The review monitors developments in the ESCWA and Arab regions through specific indicators of economic development, and regional integration, with focus on Arab electrical linkages and Information and Communication Technologies.



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